

Financial Assurance Board
Minutes
March 20, 2001 meeting

Board Members Present

Tracy Boatwright, Fire Marshal	Linda Dollens, Dept. of Revenue
John Sharp, Financial Institutions	Greg Silver, Environmental
Joanie Kanizer, Convenience Stores	Bill Herdrich, Petroleum Marketers
Stan Pinegar, Petroleum Refiners and Suppliers	Roy Meeks, Service Stations
Martha Hollingsworth, Public	Kim Logan, Treasurer

IDEM Staff Present

Nancy King, Board Counsel	Steve Browning, ELTF Program
Ann Long, Office of Legal Counsel	

Ms. Joanie Kanizer, Chair, called the meeting to order. The Board members introduced themselves.

Minutes of the November 14, 2000 meeting

Ms. Kanizer asked for changes or additions to the minutes. After hearing none, Mr. Silver moved, Ms. Hollingsworth seconded and the minutes were approved.

Elections

Ms. Kanizer asked for nominations for Chairman. Ms. Hollingsworth nominated James Acton for Chairman, Ms. Kanizer seconded and then called for a roll call vote. Mr. Herdrich moved that the nominations be closed, Mr. Silver seconded and the nominations were closed. Ms. King then took a roll call vote and Mr. Acton was elected unanimously. Ms. Kanizer then asked for nominations for Vice-Chairperson. Ms. Hollingsworth nominated Ms. Kanizer for Vice-Chairperson and then Mr. Boatwright seconded the nomination. Ms. Dollens moved that the nominations be closed, Mr. Herdrich seconded and the nominations were closed. Ms. King then took a roll call vote and Ms. Kanizer was elected unanimously.

Rules Hearing

Ms. Kanizer swore in the court reporter and submitted the draft rules as Exhibit A into the record of the hearing. Mr. Browning then informed the Board that two workgroups had been meeting to discuss potential changes to rule language and changes to the reasonable cost tables. Ms. Long then gave a brief overview of the changes that had been made to the rule. Ms. Long also explained that the rule would need to be revised based on pending legislative changes. Mr. Pinegar informed the Board that the legislature should be done at the end of April and that the preliminarily adopted rule and comments would need to be published in the June Register. Ms. King explained that the deadline for the legislation does not affect the publication of the preliminarily adopted rule.

Mr. Pinegar reviewed the proposed legislation, explaining that the amount of money that could be reimbursed per site had been increased. The total was increased from \$1 million to \$2

million. Mr. Pinegar also explained that the total amount a small operator could recover increased from \$1 million to \$2 million per year, while the large operator's total increased to \$3 million from \$2 million per year.

The Board was also told about a Bill that had been introduced that would take \$20 million from the Fund over the next biennium. This money would be managed by the Indiana Development Finance Authority and be used for the cleanup of abandoned service station sites. Mr. Pinegar then informed the Board that the Bill had been reduced to \$10 million over the biennium. The money would be divided, with \$9 million going towards the cleanup of abandoned service stations and the remaining \$1 million being used to cleanup abandoned oil and gas wells.

The Board discussed the proposed changes to the rule. Mr. Pitts, representing the Indiana Petroleum Marketers and Convenience Store Association, stated that his organization is very supportive of the general thrust of the rule making, but there was still some issues regarding attorney's fees and tank fee receipt records that needed to be addressed by the rules work group.

Ms. Kanizer asked if there were any questions or further discussions relating to the preliminary adoption of the rule. After hearing none, Mr. Herdrich moved, Mr. Pinegar seconded and the Board voted to preliminarily adopt the rule.

Fund Administrator's Report

Mr. Browning reviewed the Excess Liability Trust Fund Revenue and Expenses Report. The current revenue for Fiscal Year 2001 was reported at \$23 million. The current Fund balance was reported at \$84.5 million for Fiscal Year 2001. Mr. Browning noted that the amount of claims received per year had increased from 1,100 in 1999 to 1,600 in 2000. Mr. Browning responded to questions from Board members regarding the Report.

Mr. Browning reviewed the Petroleum Trust Fund Report, explaining that the rise in dollars spent for Personal Services in 1999 was a result of the increase in the number of inspections that the UST Section was conducting to determine if owners/operators were upgrading their tanks. There was then a discussion as to the use of the money in the Petroleum Trust Fund. Mr. Herdrich asked whether the money in the new legislation would be used for the same purposes as the Petroleum Trust Fund. Ms. King said she would work with IDEM's legislative liaison and talk to Senator Gard regarding the use of the money in the proposed legislation.

Mr. Browning gave a brief overview of the Report to the Financial Assurance Board. Highlighting the fact that the percentage paid for claims to date for 2000 was up to 55% compared to 35% in 1999. Mr. Browning then answered questions regarding the Report.

Non Rule Policy Amendment

Mr. Browning reviewed the changes that had been made to the ELTF/Risk Integrated System of Closure (RISC) nonrule policy. Mr. Browning explained that the nonrule policy would now require owners and operators to submit a "cost comparison" to show the cost benefit of changing from the current method of cleanup to that of a RISC cleanup

Next Board Meeting/ New Business

Ms. King informed the Board that a Broad Agency Announcement for the ELTF contract would out for bid in the near future. The Board then discussed the options for the date of the next

Board meeting. Ms. King explained that the July 10, 2001 date would fit well with the timing of the current legislative session.

Mr. Mike Wirt, representing Terra Environmental, explained his concerns to the Board regarding inconsistencies in claim and technical reviews. Tony Reid and Frank Dominguez, representing Navigant Consulting, LLC, responded to questions from the Board regarding the inconsistencies in the claim and technical reviews.

The next Board meeting was scheduled for July 10, 2001. Ms. Hollingsworth moved that the meeting be adjourned, Ms. Dollens seconded the motion and the vote was unanimous. The meeting was adjourned.

Date: _____

Signature _____

James Acton, Chair
Financial Assurance Board